



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
[www.uspto.gov](http://www.uspto.gov)

| APPLICATION NO.  | FILING DATE   | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|--|---------------|----------------------|---------------------|------------------|
| 09/710,776   | 11/09/2000    | George J. Candella   | FRA175/189535       | 5507             |
| 22206  | 7590          | 12/09/2008           | EXAMINER            |                  |
| FELLERS SNIDER BLANKENSHIP<br>BAILEY & TIPPENS<br>THE KENNEDY BUILDING<br>321 SOUTH BOSTON SUITE 800<br>TULSA, OK 74103-3318 |               |                      | FISCHER, ANDREW J   |                  |
| ART UNIT   | PAPER NUMBER  |                      | 3621                |                  |
| MAIL DATE  | DELIVERY MODE |                      | 12/09/2008          | PAPER            |

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.



UNITED STATES PATENT AND TRADEMARK OFFICE

---

Commissioner for Patents  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450  
[www.uspto.gov](http://www.uspto.gov)

**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/710,776  
Filing Date: November 09, 2000  
Appellant(s): CANDELLA ET AL.

---

James P. Lea  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed 06/13/2007 appealing from the Office action mailed 11/16/2006.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is not correct. A new grounds of rejection is contained in this Examiner's Answer.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

**6,163,771      Walker et al 09/2000**

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-32 are rejected under 35 U.S.C 102 (e) as being anticipated by Walker et al U.S. Pat. No. 6,163,771.

Claims 1-32 have been rejected under the newly found prior Walker. Walker discloses a mail-order based credit card fraud, both Visa and MasterCard have deployed databases that allow a merchant to verify that a given credit card account number is connected to a specific billing address. Visa calls this service the Address verification service. The theory behind the service is

that a thief (for example, a dishonest restaurant waiter) might be able to use a credit card receipt slip to steal an active account number, but if he tries to use that number for a mail order purchase he would not know the correct address associated with that number. Even if a thief were to obtain the cardholder's address, this service can allow a merchant to compare the shipping address of the catalog order to the current billing address for that account number and thus possibly identify any suspicious activity (which is readable as Applicant's claimed invention wherein said a method for detecting fraud non-personal transactions), comprising the steps of: Collecting purchaser data for the transaction, said purchaser data comprising a billing address and a ship-to-address; transmitting said ship-to-address to a fraud-detection system, processing said ship-to-address to determine whether the transaction is potentially fraudulent by checking the purchaser's ship-to-address against non-billing address criteria, and returning the relative risk of fraudulent activity associated with the transaction (see., col 2, lines 7-20).

#### ***NEW GROUNDS OF REJECTION***

##### ***Claim Rejections - 35 USC § 101***

Claims 1-32 are rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. Based on Supreme Court precedent<sup>1</sup> and recent Federal Circuit decisions, a §101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. See *In re Bilski*, 88 USPQ2d 1385 (Fed. Cir. 2008) (*en banc*).

---

<sup>1</sup> See also *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps.

To meet prong (1), the method step should positively recite the other statutory class (the thing or product) to which it is tied. This may be accomplished by having the claim positively recite the machine that accomplishes the method steps. Alternatively or to meet prong (2), the method step should positively recite identifying the material that is being changed to a different state or positively recite the subject matter that is being transformed.

In this particular case, the claims fail prong (1) because the method steps are not tied to a machine and can be performed without the use of a particular machine. Additionally, the claims fail prong (2) because the method steps do not transform the underlying subject matter to a different state or thing.

Independent claim 1 recites a method, consisting of collecting, transmitting, processing, and returning - none of these steps are tied to a statutory class of matter, nor do they involve a transformation of subject matter to a different state or thing.

#### **(10) Response to Argument**

Applicant's arguments filed on 08/28/2006 have been fully considered but they are not persuasive.

In response to Applicant's arguments, Applicant argues that the prior art of record (Walker) fails to anticipate the cited claim limitation:

- a.     Applicant's newly added limitation recites "checking the purchaser's ship-to address against non-billing address". Whereas, claim 6 recites ship-to address against the city and state

Art Unit: 3621

with a Zip + 4 code. Therefore, the ship-to address criteria can be a billing address, a PO box address or any geographic area of the ship-to address.

b. Applicant further argues that Applicant's method does not utilize the billing address as a criteria to be checked against the shipping address. And yet, Claims 4, 6, 20 and 21 recite the purchaser's ship-to address criteria comprises comparing the **city and state** of the ship-to address against the city and state with a **Zip + 4 code**. The city, the state, and the Zip + 4 code represent the person physical address, and can also be a billing address or a PO box address or an office address or a family member address. Accordingly, the specific billing address of Walker is the same as any regular address since they are used for the same purpose. Furthermore, an address is an address, it is just a label.

#### **(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

This examiner's answer contains a new ground of rejection set forth in section (9) above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* **dismissal of the appeal** as to the claims subject to the new ground of rejection:

**(1) Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of

Art Unit: 3621

rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

Christopher Johns  
Examiner

ART UNIT 3621

*Vincent Miller* *Andrew J. Fischer*  
Vincent Miller ANDREW J. FISCHER  
Appeals Practice SUPERVISORY PATENT EXAMINER  
Specialist TECHNOLOGY CENTER 3600

A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (9) above by signing below:

WYNN W. COGGINS  
TECHNOLOGY CENTER DIRECTOR

WYNN W. COGGINS  
TECHNOLOGY CENTER DIRECTOR

*Wynn W. Coggins*